

Washington, DC – The House today passed the “Health Insurance Industry Fair Competition Act,” H.R. 4626, which repeals the blanket antitrust exemption afforded to health insurance companies by the McCarran-Ferguson Act of 1945. Congressman Earl Blumenauer (D-Ore), a staunch advocate of eliminating the antitrust exemption, voted in favor of the legislation, which passed by a vote of 406-19.

“Under this legislation, health insurers can now be held accountable for price fixing, dividing regions to their advantage, and for other practices that reduce competition and hurt Americans who need affordable care,” **said Blumenauer**. “Eliminating the antitrust exemption is a fair and smart way to tip the balance towards American consumers and away from insurance companies, which made record profits last year. While we still need comprehensive health care reform, I am pleased the House took an important step to repeal this harmful practice.”

About the “Health Insurance Industry Fair Competition Act,” H.R. 4626:

The Consumer Federation of America has said that repealing this exemption will lower consumers’ premiums by 10 percent. In past Congresses, both Democrats and Republican have supported repealing antitrust exemptions across all lines of insurance, including most recently the Bush Administration’s Antitrust Modernization Committee.

Key Points:

- Competition is the engine that drives our economy, spurs innovation, and ensures that the American consumer receives a fair deal on goods and services. But for far too long, the health insurance industry has played by a different set of rules.
- Under the bill, health insurers will no longer be shielded from legal accountability for: price fixing, dividing up territories among themselves, sabotaging their competitors in order to gain monopoly power, and other such anti-competitive practices.
- Removing health insurance’s antitrust exemption will also give antitrust enforcers such as the U.S. Department of Justice and the Federal Trade Commission the authority to investigate any evidence of possible collusion within the health insurance industry – a move that puts an end to the 65-year-old prohibition on the federal government’s ability to protect honest competition against bad actors in the health insurance industry.
- Removing this antitrust exemption not only enables appropriate enforcement; it will also give all health insurance companies healthy competitive incentives that will promote better affordability, improved quality, increased innovation, and greater consumer choice – as the antitrust laws have done throughout the rest of the economy for over a century.
- Removing this antitrust exemption has been a bipartisan legislative priority for law enforcement groups and consumer groups such as the Consumer Federation of America for more than two decades. Two separate bipartisan antitrust commissions, one in the 1970s and another during the Bush Administration, have also called for removing the exemption.
- Some opponents of the bill argue that state insurance commissioners can effectively police

health insurers' antitrust violations under state law. But experience contradicts this. A recent study found that state insurance commissioners have not brought any actions against health insurers for anti-competitive conduct during at least the last five years.

- The bill makes absolutely no change in the state-based system for regulating insurance. The part of the McCarran-Ferguson Act that reaffirms state regulatory and taxing authority for the insurance industry remains unchanged.